

Proceedings of the Thirty-ninth Annual Meeting.

The thirty-ninth Annual Meeting was held in the Company's Office Building on Wednesday, 7th February, 1894, at 12 o'clock noon.

The President, J. Herbert Mason, Esq., occupied the chair, and the Secretary, Mr. George H. Smith, was appointed Secretary to the meeting. The following Shareholders were present:—Messrs. Samuel Alcorn, Judge Boyd, Ralph K. Burgess, James Barber, C. C. Barnes, E. St. G. Baldwin, M.D., Philip Browne, Reginald L. Ball, Henry Cawthra, William G. Goolerham, Henry Goolerham, Col. Sir Casimir S. Gzowski, W. Herbert Cawthra, Miles W. Cook, W. N. Eastwood, William G. Goolerham, H. L. Hime, R. S. Huison, Richard Heather, K.C.M.G., C. S. Gzowski, Jr., H. D. Gamble, Edward Hooper, Charles E. Hooper, H. L. Hime, R. S. Huison, Richard Heather, Beverley Jones, J. G. Jones, N. Kingsmill, G. W. Monk, M.P.F., Alfred J. Mason, Alfred Myers, Francis Marriott, P. L. Mason, A. Midgley, George A. Mackenzie, S. Northmeier, H. B. Newton, M. O'Donnell, Rev. T. W. Paterson, George Pim, W. Pate, Andrew Robb, W. W. Robertson, P. F. Ridout, Samuel Risley, A. M. Smith, William Spry, J. E. Berkeley Smith, John Stark, G. A. Simson, P. M. Thomas and N. L. Wilcocks.

The Secretary read the Report of the Directors and Financial Statements for 1893.

The President said:

GENTLEMEN,—The Directors' Report and the Financial Statement just read, and which I have the honor to ask you to receive and adopt, furnish ample grounds for satisfaction and encouragement.

The funds of the Company have been kept well employed throughout the year, at fairly remunerative rates. The high position of credit accorded to the Company in the British markets continues to be maintained, and if the Directors find it desirable to use more capital, it can be obtained on favorable terms.

In the Report for 1892, and also in the observations it was my privilege to address to the last Annual Meeting of Shareholders, attention was drawn to the depressed value of real property, as well as to the lower rates of interest prevailing, as conditions tending to reduce profits during their continuance. Since then, one of the most destructive financial cyclones known in modern times has swept over a large portion of this continent, and over the Australasian Colonies. While the Dominion of Canada was appreciably affected, chiefly indirectly, it is gratifying to know that its financial institutions, with one unimportant exception, withstood the storm without loss of prestige or credit.

It would be futile for any one to allege that the conditions I have mentioned, and this monetary crisis, have had no effect. The shrinkage in the value of every kind of landed property, the partial failure of the grain crops in certain districts in Ontario and Manitoba, the remarkably low prices of wheat, barley and other agricultural products, together with the locking up of capital in unproductive investments by the too rapid extension of some of our cities and towns, have to a greater or lesser degree affected all financial, commercial and industrial interests. Evidences of restricted operations and diminished earnings are everywhere to be seen.

While, therefore, admitting the situation and providing in anticipation for possible deficiencies, prudent and watchful management will seek to minimize the effects, as well as to take the earliest advantage of returning prosperity to recover any ground which may have been temporarily lost. If a more sanguine disposition had prevailed we might in many cases have charged up interest and paid the usual dividend, as well as added a considerable sum to the Contingent Fund, but I am sure you will approve of the more cautious policy adopted by the Board, although for the time being the net gain appears smaller than it would have appeared had that course been followed.

With retarding prosperity there is no reason to doubt that many of these deductions may be recovered. The normal revenue earning power of the Company remains unimpaired.

A few years ago it was estimated that an accumulated Reserve Fund of fifty per cent. would suffice to ensure a continuance of the average dividend of twelve per cent. on the paid-up Stock, equal to eight per cent. on the total Shareholders' capital. Under the changed conditions as to the value of money, and to provide against possible periods of extraordinary and long-continued depression, a larger Reserve is now deemed necessary to secure that result. I trust that existing and future business will warrant additions being made to that Fund.

The affairs of the Company were never more carefully looked after than at present. The office staff in Toronto and Winnipeg continue to discharge their duties in an efficient manner. We are assisted by a numerous body of local Appraisers who have been selected with the utmost care. Several active and experienced Inspectors are always in the field; while Mr. Harris, in Winnipeg, and Mr. Masani, in Vancouver, look well after the interests of the Company in their respective districts. The Agents of the Company in Great Britain continue to give the same zealous and influential service they have rendered during the past nineteen years.

In conclusion, gentlemen, speaking for myself and co-directors, who include the largest holders of shares in the Capital Stock, it affords me much pleasure to know, and to be able to tell you, that notwithstanding the circumstances to which I have alluded, we enter upon the fortieth year of the Company's history, a history in some important respects unparalleled by that of any Financial Institution in the Dominion, with unabated confidence in its sound and healthy condition, and in its eminent suitability as a safe and remunerative medium for the investment of the Capital of its Bondholders, Depositors and Shareholders.

I beg to move, seconded by the Vice-President, Mr. Edward Hooper:

"That the Report of the Directors for the year 1893 be received and adopted, and that it be printed with the audited statements of Profit and Loss, and Assets and Liabilities for distribution to the Shareholders."

Any question which any gentleman present would like to ask will be cheerfully answered.

The motion was unanimously carried.

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22,619 09
90,108 62

12,727 71

\$ c.

82,263 23
97,119 48
28,954 41
53,800 00
1,910 00

78,802 43

37,349 55

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